

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2555 – SB 2615

February 1, 2010

SUMMARY OF BILL: Reduces the annual income level for elderly, low-income or disabled homeowners eligible for property tax relief from \$26,830 to \$26,500 starting in 2011.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures – \$151,800

Decrease Local Expenditures – Exceeds \$100,000/Permissive

Assumptions:

- According to the Comptroller of the Treasury, there are an estimated 88,902 homeowners eligible for property tax relief with an average payment per recipient of \$190.24 in 2010. The total cost to the state in 2010 is estimated to be \$16,912,716 (88,902 x \$190.24).
- According to the Comptroller, reducing the property tax relief limit to \$26,500 in 2011 will reduce the number of eligible homeowners to approximately 88,104 in 2011 resulting in total state property tax relief payments of \$16,760,905 (88,104 x \$190.24) and a decrease in state expenditures of \$151,811 (\$16,912,716 - \$16,760,905).
- Local governments may decrease the income levels for the local property tax freeze program to reflect state income levels resulting in a permissive decrease in local expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/agl

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